

Boswell 013

\* Submitted For printing under clause 8 of rule XVII

AMENDMENT TO H.R. 2646, AS REPORTED

OFFERED BY MR. BOSWELL OF IOWA

AMENDMENT NO. \_\_\_\_: At the end of title IX, insert the following new section:

1 SEC. \_\_\_\_ RENEWABLE ENERGY RESERVE.

2 (a) PURPOSES.—It is the purpose of this section to  
3 create a reserve of agricultural commodities to—

4 (1) provide feedstocks to support and further  
5 the production of the renewable energy; and

6 (2) support the renewable energy industry in  
7 times when production is at risk of decline due to re-  
8 duced feedstock supplies or significant commodity  
9 price increases.

10 (b) ESTABLISHMENT.—During fiscal years 2002  
11 through 2011, the Secretary shall establish and administer  
12 a government-owned and farmer-stored renewable energy  
13 reserve program under which producers of agricultural  
14 commodities will be able to—

15 (1) sell agricultural commodities authorized by  
16 the Secretary into the reserve; and

17 (2) store such agricultural commodities.

18 (c) NAME.—The agricultural commodity reserve es-  
19 tablished under this section shall be known as the “Renew-  
20 able Energy Reserve”.

1 (d) PURCHASES.—The Secretary shall purchase agri-  
2 cultural commodities at commercial rates in order to es-  
3 tablish, maintain, or enhance the reserve when—

4 (1) such commodities are in abundant supply;  
5 and

6 (2) there is need for adequate carryover stocks  
7 to ensure a reliable supply of the commodities to  
8 meet the purposes of the reserve or it is otherwise  
9 necessary to fulfill the needs and purposes of the re-  
10 newable energy program administered or assisted by  
11 the Secretary.

12 (e) LIMITATION.—Purchases under this section shall  
13 be limited to—

14 (1) the type and quantities of agricultural com-  
15 modities necessary to provide approximately four-  
16 month's estimated utilization for renewable energy  
17 purposes;

18 (2) an additional amount of commodities to  
19 provide incentives for research and development of  
20 new renewable fuels and bio-energy initiatives; and

21 (3) such maximum quantities of agricultural  
22 commodities determined by the Secretary as will en-  
23 able the purposes of the renewable energy program  
24 to be achieved.

1 (f) RELEASE OF STOCKS.—Stocks shall be released  
2 at cost of acquisition, and in amounts determined appro-  
3 priate by the Secretary, when market prices of the agricul-  
4 tural commodity exceed 100 percent of the full economic  
5 cost of production of those commodities. Cost of produc-  
6 tion for the commodity shall be determined by the Eco-  
7 nomic Research Service using the best available informa-  
8 tion, and based on a three year moving average.

9 (g) STORAGE PAYMENTS.—The Secretary shall pro-  
10 vide storage payments to producers of agricultural com-  
11 modities to maintain the reserve established under this  
12 section. Storage payments shall—

13 (1) be in such amounts and under such condi-  
14 tions as the Secretary determines appropriate to en-  
15 courage producers to participate in the program;

16 (2) reflect local, commercial storage rates sub-  
17 ject to appropriate conditions concerning quality  
18 management and other factors; and

19 (3) not be less than comparable local commer-  
20 cial rates, except as may be provided by paragraph  
21 (2).

22 (h) COMMODITY CREDIT CORPORATION.—

23 (1) IN GENERAL.—The Secretary shall use the  
24 funds, facilities, and authorities of the Commodity  
25 Credit Corporation to fulfill the purposes of this sec-

1       tion. To the maximum extent practicable consistent  
2       with the purposes, and effective and efficient admin-  
3       istration of this section, the Secretary shall utilize  
4       the usual and customary channels, facilities and ar-  
5       rangement of trade and commerce.

6           (2) REDUCTION IN FIXED, DECOUPLED PAY-  
7       MENTS FOR FUNDING OFFSET.—Notwithstanding  
8       section 104, the Secretary shall reduce the total  
9       amount payable under such section as fixed, decou-  
10      pled payments, on a pro rata basis across covered  
11      commodities, so that the total amount of such reduc-  
12      tions equals \$277,000,000 in fiscal year 2004,  
13      \$93,000,000 in fiscal year 2005, \$80,000,000 in fis-  
14      cal year 2006, \$88,000,000 in fiscal year 2007,  
15      \$96,000,000 in fiscal year 2008, \$95,000,000 in fis-  
16      cal year 2009, \$96,000,000 in fiscal year 2010, and  
17      \$97,000,000 in fiscal year 2011.

